

Steve Hagle, P.E., Deputy Director  
Office of Air  
Texas commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

Re: Establishing Emission Limitations for Opacity and Particulate Matter from  
Coal-fired Electric Generating Units (EGUs) Equipped with Electrostatic Precipitators (ESPs)

Dear Mr. Hagle:

I would like to express my sincere thanks for meeting with me and representatives of the U.S. Environmental Protection Agency (EPA), Region 6 in your offices on December 14, 2016. As a result of our discussions, I believe we reached agreement on a process to resolve an issue related to the adequacy of the federally-approved Texas State Implementation Plan (SIP).

In response to a May 27, 2015 petition filed by the Environmental Integrity Project and a Title V petition concerning the H.W. Pirkey power plant, the Texas Commission on Environmental Quality (TCEQ) provided EPA with a December 2, 2015 interpretive letter of two rules in the Texas SIP – namely, 30 Texas Administrative Code § 111.111 and § 111.153. According to TCEQ's interpretation, the emission limitations in those two rules were never intended to (and do not) apply during startup and shutdown of coal-fired electric generating units (EGUs) equipped with electrostatic precipitators (ESPs). However, EPA interprets the CAA to require SIP rules to include emission limitations covering all periods of operation, including periods of startup and shutdown. See 80 Fed. Reg. 33840 (June 12, 2015). Based on our discussions at our December 14, 2016 meeting, we reached agreement on a path forward that would revise the Texas SIP and establish opacity and particulate matter limits applicable to coal-fired EGUs equipped with ESPs.

As we discussed, TCEQ has agreed to develop and issue Agreed Orders (AOs) for the affected coal-fired EGUs equipped with ESPs. These AOs would include enforceable opacity and particulate matter emission limitations that would apply during planned maintenance, startup and shutdown activities. Once presented and approved by the Commission, the AOs would undergo the required public participation requirements applicable to SIPs and submitted to EPA for approval as source-specific SIP provisions of the Texas SIP. Upon receipt of the proposed SIP revision, EPA would proceed to initiate rulemaking as required by Section 110 of the Clean Air Act (CAA). If approved, the AOs would be incorporated into the Texas SIP as source-specific requirements found at 40 CFR 52.2270(d).

In response to this letter, please confirm your understanding and agreement of the above process for effecting the revisions to the Texas SIP described above. In addition, please provide a detailed timeline for accomplishing the following components of the SIP submittal: finalization of draft AOs for affected sources, submittal of the AOs for Commission approval, public notice/hearing of the intent to submit the AOs as site-specific SIP revisions, and submittal of the SIP package along with the necessary CAA section 110(l) demonstration.

Should you have any questions concerning this matter, please feel free to contact me at your earliest convenience. Thank you again for your continued support.

Sincerely,

Guy Donaldson  
Associate Director  
Air Branch

cc: Janis Hudson (TCEQ)  
Rick Bartley (EPA, Region 6)

DRAFT